



Exchange of tax information in Seychelles

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Country by Country (CBC) reporting

- One of the BEPS minimum standards
- The Ultimate Parent Entity of the MNE group prepares the report and submitted to the tax authority in its jurisdiction
- This is then exchanged with other jurisdictions where the group has constituent entities, provided they are part of the CBC report exchange
- Have a threshold of EURO 750 million or above for reporting
- Main details provided:
 - Global allocation by tax jurisdiction of an MNE group's third party revenues,
 - Provides details of the constituent entities of the MNE group by tax jurisdiction along with their main business activities
 - Any additional information required for better understanding of the compulsory information which is provided



Country by Country reporting

- Seychelles legislated the Regulations in Q2 of 2019: Revenue Administration (Country by Country Reporting Multinational Enterprise Groups) Regulations, 2019
 - Report is to be filed within 12 months of the end of the fiscal year with the tax authority where it is a tax resident
 - While we do not have any Ultimate Parent Entity in Seychelles, we are expecting to receive these key pieces of information from other jurisdictions
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Automatic Exchange of Information (AEOI)

- One requirement for the successful implementation of the AEOI is the existence of proper confidentiality and safeguarding mechanisms
- The information which is exchanged is in relation to customers of Financial Institutions who are residents of jurisdictions which are party to the Common Reporting Standards (CRS)
- CRS mirrors the FATCA in many ways.
- The domestic legislation has to be drafted in such a way that penalties and sanctions are imposed for improper disclosure or use of the taxpayer information.



Common reporting standards (cont.)

- A review was carried out to ensure Seychelles met all the infrastructure and data protection standards
- The legal requirements for the standards were legislated in 2015 : Revenue Administration (Common Reporting Standards) Regulations 2015
- The Financial Institutions are required to submit the information by 30th June of the following year
- The list of countries needs to be ammended annually with updates of the schedule of participating and reporting countries
- The tax Authority would then be circulating this information to other jurisdictions by 30th September



Seychelles perspective

- Seychelles is signatory to AEOIR, EOIR, FATCA, CRS
- Many benefits:
 - Helps in assessing potential transfer pricing risks
 - Eases the access of information about Seychelles's nationals overseas accounts which would help in identifying tax evasion cases
 - Assist in obtaining additional information when conducting audits

But....



Seychelles perspective (cont)

- ▶ The country is faced with several challenges when adapting these standards:
 - ▶ Lack of expertise in the area
 - ▶ Limitations in terms of existing laws
 - ▶ Lack of human capacity

While the benefits of these standards are high. At times, we are not able to maximise these benefits as fast as we would like to.

THANK YOU FOR LISTENING!

